Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
New Service Reporting Requirements	)	CC Docket No. 92-275
Under Price Cap Regulation	)	

COMMENTS OF BELL ATLANTIC[1]

Bell Atlantic supports the Commission's proposal to substitute an annual reporting requirement for new services under price caps for the current quarterly reports.[2] As the Commission correctly points out, quarterly reports provide little incremental value over annual reports, but they significantly increase the carriers' reporting burden.[3] Annual reports are sufficient to compare the carriers' cost and demand forecasts to the actual costs and revenues derived from a new service. The Commission should, however, adopt several changes or clarifications.

First, the reports should include a comparison between forecasted and actual revenue, and not the net revenue, from the new service.[4] The only value to reporting net revenue was to

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[1] The Bell Atlantic telephone companies ("Bell Atlantic") are The Bell Telephone Company of Pennsylvania, the four Chesapeake and Potomac telephone companies, The Diamond State Telephone Company and New Jersey Bell Telephone Company.

[2] *Notice of Proposed Rulemaking*, 8 FCC Rcd 438 (1993).

[3] *Id.* at ¶ 4.

[4] The Price Cap Order requires the quarterly reports to include net revenues. *Policy and Rules Concerning Rates for Dominant Carriers, Second report and Order*, 5 FCC Rcd 6786 at n.416 (1990).

determine if the service passed the "net revenue" test, but the Commission has recently eliminated the net revenue test for new services under price caps.[5] Accordingly, the only valid comparison is between projected and actual revenues, and the Commission should eliminate the requirement to report net revenues.

Second, the annual reports should be submitted coincident with the annual price cap access filing. Much of the information that would be filed in the reports is already contained in the supporting documentation for that filing,[6] and coincident filing dates would avoid redundant submissions. The new reports will provide a convenient side-by-side comparison between the forecasts and the actual results.

Finally, the Commission should reduce the number of required annual reports from three to two. Technology and service innovation are proceeding at such a rapid pace that demand for many services will begin to decline after two years as the demand for newer cross-elastic offerings draws customers. The rapid growth of competition, particular with the advent of expanded interconnection, is also likely to impact demand levels after the initial two years. Under those circumstances, a third annual report would be of little value in assessing the validity

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[5] *Amendments of Part 69 of the Commission's Rules Relating to the Creation of Access Charge Subelements for Open Network Architecture, Memorandum Opinion and Order on Second Further Reconsideration*, 7 FCC Rcd 5235 at ¶ 12 (1992).

[6] For example, price cap carriers must report demand and revenues by rate element to calculate actual results.

of initial projections without a complex evaluation of cross-elastic and competitive effects.

With these changes, the Commission should adopt its proposal on new service reporting under price caps.

Respectfully submitted,

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